

## OVERVIEW

FOM 915B is a sub-section of FOM 915 that outlines funding and payment specific requirements for the child welfare continuum of care model.

Unless otherwise identified in this manual item, contracted child placing agencies operating under the child welfare continuum of care model and the consortium sub-contractors must comply with all applicable child welfare federal and state laws as well as MDHHS child welfare policies; see [FOM 915, Policy Compliance](#).

## FUNDING AND PAYMENTS

A case rate developed by actuarially sound methodology will be paid per child to a consortium under a Child Welfare Continuum of Care contract with MDHHS. The case rate covers full cost of care for a child from case acceptance through dismissal from court jurisdiction and/or case closure for former MCI wards. The full cost of care includes:

- Maintenance payments made to foster parents.
- Placement agency foster care (PAFC) administrative rate payments.
- Consortium administrative rate payments.
- Foster home recruitment, certification, and retention activities.
- Foster and adoptive parent training.
- Child caring institutions (CCI) maintenance and treatment rate payments.
- Foster care case service payments.
- Initial and semi-annual clothing allowance payments.
- Shelter care payments.
- Independent living services and payments to youth.
- Adoption service payments, including payments to the adoptive families' agency for adoption services.
- Trial reunification administrative payments.

- Family Reunification Service payments.
- Transportation assistance for foster parents and parents.
- Child welfare staff training.
- Substance use testing.
- Parent support service payments.

#### **Title IV-E Eligibility Determination**

MDHHS maintains responsibility for all initial title IV-E determinations and title IV-E reimbursability determinations; see [FOM 902, Funding Determinations](#).

#### **Purchased Care Payment Authorization Procedures**

MDHHS will authorize payments to the consortium under the child welfare continuum of care contract if a completed DHS 3600, Case Referral and Acceptance Individual Service Agreement exists. The DHS 3600 must be completed prior to placement. In exceptional circumstances requiring immediate placement, the DHS 3600 may be signed no later than the first business day following placement. If the DHS 3600 is not signed on the effective date, the effective date must be indicated on the approved agreement.

#### **Consortium Case Rate Authorization**

The case rate authorization includes:

**Maintenance rate** - see consortium policy regarding Foster Care Maintenance Rates.

**Case service payments** - expenses included in the case rate to serve children in out-of-home placement under the care and supervision of MDHHS; see consortium policy.

**Treatment/administration costs** - see consortium policy regarding rates for Child Care Institutions and Placement Agency Foster Care Providers.

Treatment/Administration costs may include but are not limited to the following:

- Social services costs:
  - Case management.
  - Clerical.
  - Supervisory and administrative salaries.
  - Employee benefits such as social security, retirement, and insurance.
  - Salaries of supportive administrative services such as bookkeeping, statistical procedures, planning, staff development and data processing.
- Operational costs:
  - Travel.
  - Supplies.
  - Utilities.
  - Equipment.
  - Rent.
  - Professional fees.
  - Postage.
  - Training.
  - Insurance.

Treatment/Administration costs do not include the following:

- Costs resulting from fundraising.
- Religious or faith-based services, practices, or instruction.
- Parochial school tuition or fees.
- Chaplain services.
- Donated goods or services.
- Payments to parent organizations.
- Cultural regalia.

- Lobbying membership dues and/or participation in lobbying events.

### **Paid Service Authorizations**

The consortium utilizes the services of licensed families, licensed and contracted child placing agencies, licensed and contracted private child caring institutions, mental health facilities, and other licensed and regulated facilities such as hospitals and adult foster homes, as appropriate to meet the needs of an individual child. A combination of the child's legal status, family financial circumstances, and placement needs strictly determine which fund source is used to pay for placement and other related services.

Paid service authorizations include but are not limited to the following payment types:

- Maintenance.
- Case services.
- Bed hold.
- Foster family care.
- Institutional care.
- Independent living.
- Shelter care.

The consortium must have policies describing paid service authorizations and how payments are initiated, approved and tracked.

### **CONSORTIUM MAINTENANCE AND ADMINISTRATIVE RATES FOR SUBCONTRACTORS**

The consortium must document and maintain the methodology utilized to determine maintenance and administrative rates when established rates differ from MDHHS:

- Established foster family rates.
- Maximum allowable determination of care rates.
- Established administrative rates.

The consortium must establish a policy requiring annual reviews to assess the reasonableness of the established rates.

**DETERMINATION OF  
CARE (DOC)  
SUPPLEMENTS FOR  
FOSTER CARE**

The consortium must establish policy regarding determination of care supplements. The consortium must develop a DOC form equivalent to the MDHHS DOC forms to document the assessment of need. MDHHS must approve the consortium equivalent DOC form prior to implementation.

A DOC supplement may be justified when extraordinary care or expense is required of the foster parents or relative (foster care provider) who is eligible for a foster care payment. The consortium equivalent DOC form must be completed in and uploaded into MiSACWIS for every child in a paid foster home or relative placement. The supplement must be based on one or more of the following case situations where additional care is required of the foster care provider or an additional expense exists.

- Physically disabled children for whom the foster care provider must provide measurably greater supervision and care.
- Children with special psychological or psychiatric needs which require extra time and measurably greater amounts of care and attention by the foster care provider.
- Children requiring special diets which are more expensive than a normal diet and which require extra time and effort by the foster care provider to obtain and prepare.
- Children whose severe acting-out behavior that requires a measurably greater amount of care and attention of the foster care provider.

**Note:** The receipt of Social Security Income (SSI) benefits by a child in a paid placement requires a DOC assessment. The child does not automatically qualify for a DOC due to receipt of SSI.

When a determination of care supplement is due to a physical or mental disability, the youth must be screened for SSI eligibility.

**SERIOUS  
EMOTIONAL  
DISTURBANCE  
(SED) WAIVER**

A child can be referred to Community Mental Health (CMH) for SED Waiver services. MDHHS determines the child's eligibility. A foster parent or a relative who is receiving foster care payments for a child enrolled in the SED Waiver Project is eligible for the \$50 per diem. The consortium is responsible for payment of the foster parent per diem rate. The SED Waiver approved rate is only applicable to foster care payments.

**ADOPTION  
ASSISTANCE RATE  
DETERMINATION**

If adoption assistance is being applied for during the time a foster parent is receiving a foster care maintenance rate that differs from MDHHS established foster family rate, the \$80 a day maximum allowable level IV determination of care rate, or an SED waiver rate, the adoption assistance rate must be negotiated between the adoption assistance office and caregiver. Enhanced maintenance and/or SED waiver rates do not carry over to an adoption assistance rate; see [AAM 210, Adoption Assistance Rate Determination](#).

**Required  
Documentation of  
Child's Needs*****No Determination of Care Rate***

A copy of the most recent (within the last 6 months) consortium equivalent determination of care assessment must be submitted.

***Determination of Care Levels I or II***

A determination of care level I or II requires:

- A copy of a current consortium approved determination of care assessment dated within six months. The determination of care assessment must be approved by the assigned private agency supervisor.

***Determination of Care Level III and Above***

A determination of care level III or above requires all of the above, plus:

- A copy of the supporting documents that were submitted to the consortium to justify the rate.
- A copy of the approval memo from the designated consortium director.
- Specific information showing how the exceptional rate was calculated.

**DUAL WARD  
PAYMENTS****MDHHS-  
Supervised  
Juvenile Justice**

When a youth has an open foster care case **and** the youth has been referred under MCL 400.55(h) or committed under 1974 PA 150 to MDHHS, the consortium will continue to be responsible for maintenance, case services, and administrative costs unless an exception exists as identified below.

The agency with financial responsibility for the case service or placement must record all required information in MiSACWIS.

Any placement made by the consortium into a public or private, contracted juvenile justice residential treatment facility must follow procedures outlined in [FOM 915A, Child Welfare Continuum of Care-Program Requirements, Placement of Abuse/Neglect Wards in a Juvenile Justice Program](#).

**Exception:** All dual wards with an MDHHS-supervised juvenile justice case require a referral to the Juvenile Justice Unit (JJAU) for placement in a state run or private, contracted juvenile justice residential treatment facility. The JJAU placement referral must be completed in MiSACWIS by the juvenile justice specialist in accordance with [JJ7 700, JJAU Placement Request Process](#).

**Court Supervised  
Juvenile Justice**

When a youth has an open foster care case **and** the youth is a temporary delinquent court ward supervised by the court, the consortium is responsible for maintenance, case services, and administrative costs unless an exception exists as identified below.

The consortium must enter all the case services and placements in MiSACWIS. Placement of court-supervised dual wards by the consortium into a state run or private, contracted juvenile justice residential treatment facility must follow the procedures outlined in [FOM 915A, Child Welfare Continuum of Care-Program Requirements, Placement of Abuse/Neglect Wards in a Juvenile Justice Program](#).

**Exceptions*****MDHHS-Supervised Juvenile Justice Youth***

MDHHS will be responsible for maintenance and/or case services costs and documentation in MiSACWIS when the juvenile justice specialist has determined a case service or placement need specific to the rehabilitation of the youth related to the delinquency case is necessary. The case service or placement arranged by the juvenile justice specialist is unrelated to resolving the need for foster care specific to abuse or neglect. If the question of financial responsibility for a case service or placement arises, the consortium must contact the juvenile justice supervisor within three business days to agree upon responsibility.

***Court-Supervised Juvenile Justice Youth***

The consortium will be responsible for maintenance and/or case services costs when the consortium has determined a case service or placement need specific to resolve the issues of abuse or neglect case is necessary. The case service or placement arranged by the consortium is unrelated to rehabilitating the youth specific to the court delinquency case. If the question of financial responsibility for a case service of placement arises, the consortium must contact the court to agree upon responsibility.



**GOVERNMENT  
BENEFITS**

The consortium must ensure the performance based funding specialist is notified within three calendar days of the following actions:

- A placement change.
- A child is absent without legal permission (AWOLP).
- A change in legal status.
- A parent dies or becomes disabled.
- A relative becomes licensed.
- When a child becomes adopted.
- If a youth may be eligible for SSI, see [FOM 902-10, SSI Benefit Determination](#).
- Cost of care changes, for example an escalated DOC.
- Child approved for SED Waiver.

**YOUTH IN  
TRANSITION (YIT)  
PROGRAM**

MDHHS is responsible for service authorization approvals for services requiring Youth in Transition funding. The consortium must access funds as outlined [FOM 950, Youth in Transition Program](#) (YIT).

**ADOPTIVE AND  
FOSTER PARENT  
RECRUITMENT AND  
RETENTION  
FUNDS (AFPRR)**

The consortium must expend allocated funds in accordance with the allowable expenditures outlined in the Adoptive and Foster Parent Recruitment and Retention Funds Allowable Expenditures document provided annually by MDHHS Office of Child Welfare Policy and Programs. The consortium must submit payment requests to the MDHHS local office for processing.

Exceptions to allowable expenditures must be submitted and approved by Office of Child Welfare Policy and Programs at [MDHHS-recruitmentandretention-requests@michigan.gov](mailto:MDHHS-recruitmentandretention-requests@michigan.gov).

**PAYMENT SYSTEM**

The consortium must have policies regarding payment system procedures. The policies must include but are not limited to:

- Frequency in which payments will be processed.
- Incorrect payment procedures, such as recoupment and reconciliation.
- Time limits for requesting foster care payment reimbursement.
- Payment and reconciliation processes for the use of state run and private, contracted juvenile justice residential treatment facilities.

The consortium must have the capacity to execute and track payments made for each child.

**Payment Schedule**

The consortium must establish a payment schedule that is provided to the Child Welfare Continuum of Care contract administrator at MDHHS by September 1st of each fiscal year. The annual payment schedule must be accessible to the public.

**COST REPORT**

The consortium must submit quarterly cost reports based on the State's fiscal quarters:

- October 1 to December 31.
- January 1 to March 31.
- April 1 to June 30.
- July 1 to September 30.

These cost reports must contain the actual costs incurred by the consortium and its subcontractors in delivering services required in the child welfare continuum of care contract to MDHHS clients for the reporting period. Cost reports must be submitted within 45 calendar days following the end of a quarter. For example, the first quarter cost report is due on February 14.